



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB4783

by Rep. Kelly M. Cassidy

SYNOPSIS AS INTRODUCED:

765 ILCS 605/9.1

from Ch. 30, par. 309.1

Amends the Condominium Property Act. Provides that any provision in a condominium instrument is void as against public policy and ineffective if it limits or restricts the rights of the board of managers by: (1) requiring the prior consent of the unit owners in order for the board of managers to take certain actions, including the institution of any action in court or a demand for a trial by jury; or (2) requiring the board of managers to arbitrate or mediate a dispute with any one or more of all of the declarants under the condominium instruments or the developer or any person not then a unit owner prior to the institution of any action by the board of managers or a demand for a trial by jury. Provides that a provision in a declaration which would otherwise be void and ineffective under the provisions of the amendatory Act may be enforced if it is approved by a vote of not less than 75% of the unit owners at any time after the election of the first unit owner board of managers.

LRB098 17140 HEP 52227 b

1 AN ACT concerning civil law.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Condominium Property Act is amended by
5 changing Section 9.1 as follows:

6 (765 ILCS 605/9.1) (from Ch. 30, par. 309.1)

7 Sec. 9.1. ~~(a)~~ Other liens; rights of board of managers
8 ~~attachment and satisfaction.~~

9 (a) Subsequent to the recording of the declaration, no
10 liens of any nature shall be created or arise against any
11 portion of the property except against an individual unit or
12 units. No labor performed or materials furnished with the
13 consent or at the request of a particular unit owner shall be
14 the basis for the filing of a mechanics' lien claim against any
15 other unit. If the performance of the labor or furnishing of
16 the materials is expressly authorized by the board of managers,
17 each unit owner shall be deemed to have expressly authorized it
18 and consented thereto, and shall be liable for the payment of
19 his unit's proportionate share of any due and payable
20 indebtedness as set forth in this Section.

21 Each mortgage and other lien, including mechanics liens,
22 securing a debt incurred in the development of the land
23 submitted to the provisions of this Act for the sale of units

1 shall be subject to the provisions of this Act, subsequent to
2 the conveyance of a unit to the purchaser.

3 In the event any lien exists against 2 or more units and
4 the indebtedness secured by such lien is due and payable, the
5 unit owner of any such unit so affected may remove such unit
6 and the undivided interest in the common elements appertaining
7 thereto from such lien by payment of the proportional amount of
8 such indebtedness attributable to such unit. In the event such
9 lien exists against the units or against the property, the
10 amount of such proportional payment shall be computed on the
11 basis of the percentages set forth in the declaration. Upon
12 payment as herein provided, it is the duty of the encumbrancer
13 to execute and deliver to the unit owner a release of such unit
14 and the undivided interest in the common elements appertaining
15 thereto from such lien, except that such proportional payment
16 and release shall not prevent the encumbrancer from proceeding
17 to enforce his rights against any unit or interest with respect
18 to which such lien has not been so paid or released.

19 The owner of a unit shall not be liable for any claims,
20 damages, or judgments, including but not limited to State or
21 local government fees or fines, entered as a result of any
22 action or inaction of the board of managers of the association
23 other than for mechanics' liens as set forth in this Section.
24 Unit owners other than the developer, members of the board of
25 managers other than the developer or developer
26 representatives, and the association of unit owners shall not

1 be liable for any claims, damages, or judgments, including but
2 not limited to State or local government fees or fines, entered
3 as result of any action or inaction of the developer other than
4 for mechanics' liens as set forth in this Section. Each unit
5 owner's liability for any judgment entered against the board of
6 managers or the association, if any, shall be limited to his
7 proportionate share of the indebtedness as set forth in this
8 Section, whether collection is sought through assessment or
9 otherwise. A unit owner shall be liable for any claim, damage
10 or judgment entered as a result of the use or operation of his
11 unit, or caused by his own conduct. Before conveying a unit, a
12 developer shall record and furnish purchaser releases of all
13 liens affecting that unit and its common element interest which
14 the purchaser does not expressly agree to take subject to or
15 assume, and the developer shall provide a surety bond or
16 substitute collateral for or insurance against liens for which
17 a release is not provided. After conveyance of such unit, no
18 mechanics lien shall be created against such unit or its common
19 element interest by reason of any subsequent contract by the
20 developer to improve or make additions to the property.

21 Each mortgagee or other lienholder of the unit of a common
22 interest community or of a unit subject to the Condominium
23 Property Act shall provide an address to the unit owners'
24 association at the time the lien or mortgage is recorded at
25 which address such unit owners' association shall send notice
26 to such mortgagee or lienholder of any eminent domain

1 proceeding to which the association thereafter becomes a party.
2 If the mortgagee or lienholder has not provided an address for
3 notice purposes to the association, then such notice shall be
4 sent to all mortgagees or lienholders which are named insureds
5 on the master policy of insurance which exists or may exist on
6 the common interest community or unit subject to the
7 Condominium Property Act.

8 ~~(b) Board of Managers' standing and capacity.~~ The board of
9 managers shall have standing and capacity to act in a
10 representative capacity in relation to matters involving the
11 common elements or more than one unit, on behalf of the unit
12 owners, as their interests may appear.

13 (c) Any provision in a condominium instrument is void as
14 against public policy and ineffective if it limits or restricts
15 the rights of the board of managers under subsection (b) of
16 this Section by:

17 (1) requiring the prior consent of the unit owners in
18 order for the board of managers to take any action
19 authorized or permitted under subsection (b) of this
20 Section, including the institution of any action in court
21 or a demand for a trial by jury; or

22 (2) notwithstanding Section 32 of this Act, requiring
23 the board of managers to arbitrate or mediate a dispute
24 with any one or more of all of the declarants under the
25 condominium instruments or the developer or any person not
26 then a unit owner prior to the institution of any action by

1 the board of managers or a demand for a trial by jury under
2 subsection (b) of this Section.

3 A provision in a declaration which would otherwise be void
4 and ineffective under this Section may be enforced if it is
5 approved by a vote of not less than 75% of the unit owners at
6 any time after the election of the first unit owner board of
7 managers.

8 (Source: P.A. 91-616, eff. 8-19-99.)